

Representative Church Body

Cost of Living Accommodation Allowance

Part 36-00-15

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1. Introduction

Section 837 of the Taxes Consolidation Act 1997 entitles a member of the clergy or a minister of any religious denomination to claim certain deductions against any profits, fees or emoluments arising from his or her profession. Primarily, deductions are allowed in respect of expenses incurred by a clergy member or minister, wholly, exclusively and necessarily in the performance of his or her duties.

In the case of the Representative Church Body (RCB), the “Cost of Living Allowance” (COLA), reimbursed by resolution of the Select Vestry of the RCB and included in the total stipend made in a year to a clergy member or minister, is allowed, subject to certain limits, as a deduction in arriving at the profit assessable under Case II of Schedule D. In practice, a RCB clergy member or minister claims the COLA as a deduction in arriving at the assessable profit included in his or her annual Income Tax Return.

The COLA is reviewed annually to take account of the Consumer Price Index.

2. Summary of Annual Allowances

The annual allowances which apply for the years 2019 to 2023 are as follows:

	2023	2022	2021	2020	2019
Basic Allowance	€4,190	€3,975	€3,687	€3,498	€3,467
Max Allowance	€5,111	€4,849	€4,498	€4,268	€4,230

Where an amount greater than the basic allowance is reimbursed to a clergy member or minister, the allowable deduction is calculated at the basic rate plus an additional amount which is one-fourth of the excess over the basic rate, subject to the relevant maximum allowance shown above.

3. Examples

2023			
	Example 1	Example 2	Example 3
Amount reimbursed to RCB clergy	€2,500	€4,600	€9,000
Calculation	Under basic allowance	$€4,190 + [(\text{€}4,600 - \text{€}4,190) \times \frac{1}{4}] = \text{€}4,293$	$€4,190 + [(\text{€}9,000 - \text{€}4,190) \times \frac{1}{4}] = \text{€}5,393$
Allowable Case II deduction	€2,500	€4,293	Restricted to max. relief of €5,111

2022			
	Example 1	Example 2	Example 3
Amount reimbursed to RCB clergy	€2,500	€4,600	€9,000
Calculation	N/A - under basic allowance	$€3,975 + [(\text{€}4,600 - \text{€}3,975) \times \frac{1}{4}] = \text{€}4,131$	$€3,975 + [(\text{€}9,000 - \text{€}3,975) \times \frac{1}{4}] = \text{€}5,231$
Allowable Case II deduction	€2,500	€4,131	Restricted to max. relief of €4,849